

The Importance of Business Liability Insurance

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Do you know what to look for when buying a family child care business liability insurance policy?

Do you know the difference between “per occurrence” and “aggregate” coverage in your policy?

What’s the difference between an “individual policy” and a “master policy”?

Not all business liability insurance policies are the same. There can be big differences in what the policies cover, from one policy to the next.

If you are shopping for insurance just based on its cost, you are making a big mistake!

[The National Association for Family Child Care](#), several insurance agents and myself have created a checklist of [Ten Questions to Ask Before You Purchase Family Child Care Business Liability Insurance](#) to help you pick the right policy.

If you use this [Ten Questions to Ask Before You Purchase Family Child Care Business Liability Insurance](#), you will be able to shop more intelligently and better understand what you are buying. Here’s an [insurance directory](#) of insurance companies and insurance agents that offer business liability insurance policies, homeowners’ insurance policies and car insurance policies in your state.

Importance of Business Liability Insurance

All family child care providers should purchase professional business liability insurance to protect themselves against the risk of caring for children in their own home.

These risks are real: the children in your care can get injured, parents can sue you for child neglect or failure to adequately supervise their child, and so on.

Professional business liability insurance can reduce these risks so that you can sleep at night and not worry about any of this.

Warning: your homeowner's insurance policy will not cover you for accidents and lawsuits related to your business.

We strongly recommend that you shop around and get the details of an insurance policy from at least three insurance companies. Ask for a copy of the policy and compare coverages and price.

Use this [Ten Questions to Ask Before You Purchase Family Child Care Business Liability Insurance](#) to help you compare insurance policies.

The cost of an insurance policy, in general, is related to the coverage it offers. A cheaper policy will probably not cover you for as much as a more expensive policy.

We also recommend that you purchase more coverage, rather than less coverage. Ideally, you should have a policy that covers for \$1 million per occurrence and \$2 million aggregate. The difference in cost between this coverage and the lowest amounts of coverage are probably very little.

The cost of business liability insurance is 100% tax deductible!

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